

**COPPER NORTH MINING CORP.  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE THREE MONTHS ENDED MARCH 31, 2016**

The following management discussion and analysis of Copper North Mining Corp. ("Copper North" or the "Company") is dated May 25, 2016, and provides an analysis of the Company's results of operations for the three months ended March 31, 2016.

This discussion is intended to provide investors with a reasonable basis for assessing the financial performance of the Company as well as certain forward looking statements relating to its potential future performance. The information should be read in conjunction with the Copper North unaudited condensed interim consolidated financial statements for the three months ended March 31, 2016, the Copper North audited consolidated financial statements for the year ended December 31, 2015, and the notes thereto. Copper North's accounting policies are described in note 3 of the aforementioned audited consolidated financial statements. All of the financial information presented herein is expressed in Canadian dollars, unless otherwise indicated.

The operations of the Company are speculative due to the high-risk nature of the mining industry. Copper North faces risks that are generally applicable to its industry and others that are specific to its operations. Additional risks not currently known to the Company, or that the Company currently deems immaterial, may also impair the Company's operations. Such risk factors could materially affect the value of the Company's assets, and future operating results of the Company and could cause actual results to differ materially from those described in the forward looking statements contained in this management discussion and analysis. *Reference is made to the discussion of forward-looking statements at the end of this document.*

#### **DESCRIPTION OF THE BUSINESS**

Copper North is a Canadian-based publicly-traded mineral exploration company with a primary focus of advancing its Carmacks Project located in the Yukon Territory, Canada. The Company also holds the Thor property in British Columbia and the Redstone property located in the Northwest Territories. Copper North is listed on the TSX Venture Exchange under the symbol COL.

#### **FINANCING AND FINANCIAL POSITION**

As at March 31, 2016, the Company had \$185,000 in cash and a working capital deficit of \$299,000.

On April 1, 2016, Copper North completed a non-brokered private placement of 4.5 million units of the Company at a price of \$0.03 per unit for gross proceeds of \$136,000. Each unit consisted of one common share of the Company and one non-transferable warrant. Each warrant entitles the holder to purchase one additional common share at a price of \$0.05 until April 1, 2018.

Although finding sources of financing continues to prove challenging for mineral exploration companies, Copper North was successful in completing 9 private placements in 2015, raising a total of \$2.85 million in gross proceeds. The Company issued 53,050,313 common shares (including flow-through shares) and 31,106,816 warrants as part of these private placements. The issue price of the securities ranged from \$0.03 to \$0.06. The placements enabled Copper North to accomplish some of its goals related to the Carmacks Project, including drilling additional holes, delineating an updated mineral resource estimate, and advancing the new preliminary economic assessment.

The Company's consolidated financial statements have been prepared using IFRS applicable to a going concern, which assumes the realization of assets and settlement of liabilities in the normal course of business as they come due, however certain conditions and events cast significant doubt on the validity of this assumption. For the three months ended March 31, 2016, the Company reported a loss of \$452,200 and an accumulated deficit of \$18,324,447. The Company's ability to continue as a going concern is dependent upon its ability to obtain additional funding from loans or equity financings or through other arrangements. The Company has been successful in securing financing in the past, but there can be no assurance that it will be able to do so in the future.

## **CORPORATE DEVELOPMENT**

On May 16, 2016, the Company announced a proposed share consolidation on the basis of one post-consolidation common share for every ten pre-consolidation common shares. Upon completion of the proposed consolidation, Copper North expects to have approximately 18,325,000 common shares issued and outstanding. The exercise price and the number of common shares issuable under the Company's outstanding warrants and stock options will be proportionately adjusted to reflect the proposed consolidation in accordance with the respective terms. The proposed consolidation is subject to TSX Venture Exchange approval.

## **PROPERTY OVERVIEW AND DEVELOPMENT**

### **Carmacks (Yukon, Canada)**

#### Updated Mineral Resource Estimate

Copper North's 2014 and 2015 exploration programs culminated in an updated mineral resource estimate announced on January 25, 2016 (the "Updated Mineral Resource Estimate"). The Updated Mineral Resource Estimate consists of the initial mineral resource estimate on zones 12, 13 and 2000S (the "Maiden Mineral Resource Estimate") combined with the previously defined mineral resource estimate for the Carmacks Project, as set out in the Company's preliminary economic assessment released in May 2014 (the "2014 PEA"). For more information on the Updated Mineral Resource Estimate, please refer to the January 25, 2016 news release and the National Instrument 43-101 technical report filed on March 10, 2016.

Highlights of the Updated Mineral Resource Estimate include:

#### Oxide and transitional mineral resources

- A 31% increase in Measured and Indicated mineral resources to 15.7 Mt grading 0.94% Cu, 0.74% acid-soluble Cu, 0.379 g/t Au and 3.971 g/t Ag; and
- A tenfold increase in Inferred oxide and transition mineral resources to 0.9 Mt grading 0.45% Cu, 0.30% acid-soluble Cu, 0.119 g/t Au and 1.900 g/t Ag.

#### Sulphide mineral resources:

- An 86% increase in Measured and Indicated mineral resources to 8.1 Mt grading 0.68% Cu, 0.178 g/t Au and 2.332 g/t Ag; and
- A 108% increase in Inferred mineral resources to 8.4 Mt grading 0.63% Cu, 0.150 g/t Au and 1.994 g/t Ag; an increase of 108%.

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Maiden Mineral Resource Estimate (zones 2000S, 12 and 13)

The expansion of mineral resources is the result of the Maiden Mineral Resource Estimate on zones 2000S, 12 and 13. Zones 2000S, 12 and 13 are located to the south of the previously proposed open-pit that would encompass zones 1, 4 and 7. The oxide mineral resources occur from surface and have been estimated to shallow depths that would be amenable to mining with a low strip ratio. The sulphide mineral resources in zones 12, 13 and 2000S occur to depths of as little as 50 metres below surface, which is much shallower than the depth of the sulphide resource in zone 1. This opens up the possibility of mining copper sulphide resources at relatively shallow depths in an open pit.

The discovery and definition of the measured, indicated and inferred mineral resources in zones 2000S, 12 and 13 represents a significant expansion of mineral resources for the Carmacks Project. With a modest amount of additional drilling, Copper North anticipates that the inferred resources could be converted to the measured or indicated categories. Copper North has drilled-off only approximately 60% of the length of the mineralized trend and each zone is open along strike and to depth. The Company believes that additional exploration on the property may reveal additional mineralization along the trend and in sub-parallel zones.

Table 1: The Maiden Mineral Resource Estimate (zones 12, 13 and 2000S).

	Class	Tonnage (t)	Total Cu (%)	Acid- soluble Cu (%)	Au (g/t)	Ag (g/t)	Cu sulphide (%)
Zones 2000S+12+13 Oxide & Transition	Measured	2,453,040	0.47	0.35	0.128	1.883	0.13
	Indicated	1,257,343	0.56	0.36	0.140	2.259	0.20
	ME+IN	3,710,383	0.50	0.35	0.132	2.011	0.15
	Inferred	822,614	0.42	0.28	0.119	1.910	0.14
Zones 2000S+12+13 Sulphide	Measured	686,329	0.48	0.07	0.108	1.785	0.41
	Indicated	3,041,922	0.63	0.06	0.133	2.402	0.58
	ME+IN	3,728,252	0.60	0.06	0.128	2.288	0.55
	Inferred	4,375,835	0.55	0.04	0.123	2.081	0.52

Updated Mineral Resource

The Maiden mineral resource estimate on zones 12, 13 and 2000S combined with the previously defined mineral resource for the Carmacks Project comprise the Updated Mineral Resource and has resulted in a significant increase in overall tonnage for the Carmacks Project (Table 2). Oxide and sulphide measured and indicated mineral resources have increased from 16.3 Mt to 23.8 Mt, a 45% increase in tonnage. In addition, overall oxide and sulphide inferred mineral resources have increased from 4.1 Mt to 9.3 Mt, an increase in tonnage of 125%.

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Table 2: The Updated Mineral Resource for the Carmacks Project, including Zones 1, 4, 7, 2000S, 12 and 13:

	Class	Tonnage (t)	Total Cu (%)	Acid-soluble Cu (%)	Au (g/t)	Ag (g/t)	Sulphide Cu (%)
Oxide and Transition Mineral Resources	Measured	6,484,040	0.86	0.69	0.414	4.235	0.17
	Indicated	9,206,343	0.97	0.77	0.357	3.796	0.20
	ME+IN	15,690,383	0.94	0.74	0.379	3.971	0.20
	Inferred	912,614	0.45	0.30	0.119	1.900	0.15
Sulphide Mineral Resources	Measured	1,381,329	0.64	0.05	0.185	2.166	0.59
	Indicated	6,686,922	0.69	0.04	0.172	2.344	0.65
	ME+IN	8,068,252	0.68	0.05	0.178	2.332	0.65
	Inferred	8,406,835	0.63	0.03	0.150	1.994	0.61

Mineral resources for zones 1, 4 and 7 were previously disclosed in the 2014 PEA and are reported at a 0.25% total copper cut-off for oxide, transition and sulphide mineralization. Mineral resources for zones 2000S, 12 and 13 are reported at a 0.15% acid-soluble copper cut-off for the oxide and transition mineralization and at a 0.25% total copper for the sulphide mineralization. Further details of mineral resource estimate for zones 1, 4 and 7 can be found in the 2014 PEA for the Carmacks Project, dated July 10, 2014.

Progress on Development

In July 2015, Copper North announced the new processing plan for the Carmacks Project. This plan consists of crushing ore to minus 19mm, followed by rod mill grinding to minus 1mm then acid leaching copper in an agitated tank leach, followed by gold and silver leaching in similar tanks, and cyanide destruction for final waste materials. The copper leachate is to be processed in a standard solvent extraction electro-winning (SXEW) plant to produce cathode copper sheets. Gold and silver will be recovered using Merrill Crowe to produce doré bars.

Test work indicates that raising the temperature of the acid leach for copper improves the overall recovery and significantly shortens the leach time. With a grind size of minus 1mm and a leach temperature of 40 degrees Celsius, recoveries of 88% were achieved within 4 to 6 hours, less than half the time for a coarser grind of 2mm at ambient temperature. Waste heat from the manufacturing of sulphuric acid will be used to heat the leach tanks.

The residue in the copper circuit is washed to remove residual acid and the slurry is pumped into the gold-silver circuit for cyanidation; also an agitated tank leach. Optimal leach time for a two stage cyanidation circuit is approximately 12 hours with recoveries of approximately 80% for gold and 62% for silver.

Leachate from the cyanide tanks is sent to a Merrill Crowe circuit to recover gold and silver as a doré bar for refining. A SART circuit may be used to remove copper cyanates from leach fluids to recover cyanide and thereby manage cyanide consumption. The SART circuit will produce a small amount of copper-rich sulphide that will add to the total copper recovery.

Batch test work, including locked cycle tests, confirms the very favourable leach dynamics and define recoveries, reagent consumption and optimal equipment requirements. Similarly, test work continues to evaluate the operational application of the SART circuit in the gold-silver recovery circuit. The final steps in the test work are to determine the preferred procedure for filtration of the waste materials in preparation for waste disposal utilizing the "dry-stacked tailings" method.

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On March 21, 2016, the Company announced additional improvements in the leach circuit from the result of recent test work. The recent test work confirmed that an increase in leach temperature to 80° centigrade improved copper recovery, eliminated the need for a SART circuit, and simplified the cyanide circuit for leach recovery of gold and silver. These improvements are being integrated into the agitated leach plan for the Carmacks Project.

New Preliminary Economic Assessment

Copper North is progressing toward the New PEA that will reflect the new leach and development plan. The new PEA is being advanced by JDS Energy and Mining Inc., Vancouver, B.C. Timing of completion of the new PEA is subject to financing.

The new PEA will be based on the mineral resources in Zones 1, 4 and 7 that indicate an approximate 7 year mine life. The copper oxide ores will be mined by open pit and crushed, followed by grinding to 80% minus 664 microns. Leaching of the grind materials in an agitated leach tank yields high recovery of copper with optimal leach time of 4 hours. The rinsed copper leach residues are pumped to the cyanide circuit for leaching of gold and silver with leach time of approximately 12 hours. Cathode copper would be recovered by solvent extraction electro-winning (SXEW) and the gold and silver would be recovered by Merrill Crowe process. The improved leach dynamics indicate improvement of copper and gold recovery while reducing cyanide consumption and simplifying the leach circuit. Further test work is planned for the final determination of optimal leach parameters.

The new mineral resources in zones 2000s, 12 and 13, announced January 25, 2016, will not be included in the PEA. The estimated mineral resources in zones 2000S 12 and 13 will be integrated into a later development plan. The expansion of the Measured and Indicated resources in the new oxide, transition and sulphide resources provides an attractive opportunity for extension of mine life at the Carmacks Project. Additional definition drilling is warranted for zones 2000S, 12 and 13 for inclusion in subsequent development plans. Furthermore, the substantial increase in sulphide mineral resources at shallow depth warrants additional metallurgical test work to confirm the potential to process that material to produce either concentrate or cathode copper, the latter utilizing the leach and SXEW facilities.

Royalty

Any production from the Carmacks Project is subject to either a 15% net profits interest or a 3% net smelter return royalty, at Copper North's election. If Copper North elects to pay the net smelter return royalty, it has the right to purchase the royalty for \$2.5 million, less any advance royalty payments made to that date. As at the date of this report, \$1.3 million has been paid in advance royalty payments. The Company is required to make an advance royalty payment of \$100,000 for any year in which the average daily copper price reported by the London Metal Exchange is US\$1.10 per pound or greater.

**Thor (British Columbia, Canada)**

The Thor Property consists of 16,060 hectares of mineral claims. It is road accessible and is located approximately 20 kilometres south of the Kemess South mine-mill complex in North Central British Columbia. The property hosts several attractive large geophysical targets associated with intrusive complexes similar to those hosting the porphyry copper-gold deposits of the Kemess District.

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On June 27, 2014, Copper North entered into an acquisition agreement with Electrum Resource Corporation ("Electrum"). Pursuant to the acquisition agreement, the Company will earn 100% interest in the Thor property by making certain payments in cash and common shares and incurring certain exploration expenditures. If the Company fails to make a scheduled payment of cash or common shares, or meet the expenditure requirements, it will retain no interest in the Thor property.

On May 11, 2016, Copper North amended certain terms of its acquisition agreement with Electrum. The terms of the agreement subsequent to the amendment are as follows:

Payment – Cash	Date	Status
\$25,000	July 8, 2014	<i>Completed</i>
\$50,000	June 27, 2015	<i>Completed</i>
\$50,000	August 1, 2016	-
\$100,000	June 27, 2017	-
\$100,000	June 27, 2018	-
\$100,000	June 27, 2019	-
\$100,000	June 27, 2020	-

Payment – Common Shares	Date	Status
1,000,000	July 8, 2014	<i>Completed</i>
1,000,000	June 27, 2016	-
1,000,000	June 27, 2017	-
1,000,000	June 27, 2018	-
1,000,000	June 27, 2019	-

Cumulative Exploration Expenditures	Date	Status
\$200,000	June 27, 2015	<i>Completed</i>
\$700,000	October 1, 2016	-
\$1,500,000	October 1, 2017	-
\$2,500,000	October 1, 2018	-
\$3,500,000	October 1, 2019	-
\$5,000,000	October 1, 2020	-

In addition, Electrum will receive a 2% net smelter return royalty to a maximum of \$5 million. The Company agrees to pay an advanced royalty payment of \$1 million at each of the seventh, eighth, ninth, tenth and eleventh anniversaries of the acquisition agreement if commercial production is not attained in respect of the Thor Property before those dates. Advance royalty payments are deductible from the maximum amount payable pursuant to the net smelter return royalty.

A deposit of \$5,000 is held by the Government of British Columbia to cover reclamation costs for the work performed to date on the property.

**Exploration Plans**

A consolidation of geology, geochemistry, and geophysical data, including recent geophysical survey data, defined two large target areas with anomalies typical of porphyry copper type deposits. Copper North is planning an exploration program aimed at testing these targets in 2016.

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**RESULTS OF OPERATIONS**

For the three months March 31,	2016	2015
	\$	\$
Exploration and evaluation expenses	149,252	224,845
Filing and regulatory fees	8,596	8,132
General administrative costs	62,355	17,896
Professional fees	3,423	13,183
Rent and utilities	28,791	27,405
Share-based payments	12,472	17,739
Shareholder communication and travel	90,633	164,637
Wages and benefits	96,678	129,533
<b>OPERATING EXPENSES</b>	<b>452,200</b>	<b>603,370</b>
Interest expense	-	3,100
<b>LOSS AND COMPREHENSIVE LOSS</b>	<b>452,200</b>	<b>606,470</b>

The Company's exploration and evaluation expenses decreased during the three months ended March 31, 2016 compared to the same period in 2015 as the Company activities were restricted by the its financial resources. For more information on project development, refer to the Property Overview and Development section earlier in this report.

General administrative costs increased during the three months ended March 31, 2016 as compared to three months ended March 31, 2015 mainly due to a one-time donation.

Shareholder communication and travel decreased during the three months ended March 31, 2016 compared to the three months ended March 31, 2015 as the Company took part in a fewer number of roadshows and decreased marketing in an effort to preserve cash.

Wages and benefits decreased during the three months ended March 31, 2016 as compared to the same period in 2015 as the Company minimized costs related to administrative activities.

**LIQUIDITY AND CAPITAL RESOURCES**

For the three months ended March 31,	2016	2014
	\$	\$
CASH PROVIDED BY (USED IN)		
Operating activities	(404,684)	(1,016,799)
Financing activities	128,000	799,793
<b>CHANGE IN CASH AND EQUIVALENTS</b>	<b>(276,684)</b>	<b>(217,006)</b>
Cash and cash equivalents – beginning	461,792	478,357
<b>CASH AND CASH EQUIVALENTS</b>	<b>185,108</b>	<b>261,351</b>

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Copper North had \$185,108 in cash and cash equivalents as at March 31, 2016 compared to \$461,792 in cash and cash equivalents as at December 31, 2015. The main components of cash flows used for operating activities are discussed in the Results of Operations section, above. Cash flows received from financing activities are discussed in the Financing and Financial Position section at the beginning of this report.

The Company will continue to require additional funding to maintain its ongoing exploration programs; permitting efforts; advance royalty and property maintenance payments; and operations. Its principal source of funds is the issuance of common shares. Copper North's common shares are publicly traded. As such, the price of its common shares is susceptible to factors beyond management's control including, but not limited to, fluctuations in commodity prices and foreign exchange rates and changes in the general market outlook. Should Copper North require funds during a time when the price of its common shares is depressed, the Company may be required to accept significant dilution to maintain enough liquidity to continue operations or may be unable to raise sufficient capital to meet its obligations.

**SUMMARY OF QUARTERLY RESULTS**

The Company's interim financial statements are reported under IFRS applicable to interim financial statements, including IAS 34 *Interim Financial Reporting*. The following table sets forth selected unaudited quarterly financial information derived from financial information for each of the eight most recent quarters.

<b>As at and for the quarter ended</b>	<b>31-Mar-16</b>	<b>31-Dec-15</b>	<b>30-Sep-15</b>	<b>30-Jun-15</b>
Loss and comprehensive loss	452,200	538,073	921,814	859,716
Exploration and evaluation expenses	149,252	362,640	667,316	529,566
Loss per share – basic and diluted	-	-	0.01	0.01
Cash and cash equivalents	185,108	461,792	294,644	793,417
Exploration and evaluation assets	19,281,737	19,281,737	19,281,737	19,281,737
Total assets	19,841,069	20,168,476	19,978,505	20,775,005
<b>As at and for the quarter ended</b>	<b>31-Mar-15</b>	<b>31-Dec-14</b>	<b>30-Sep-14</b>	<b>30-Jun-14</b>
Loss and comprehensive loss	606,470	697,259	828,992	360,911
Exploration and evaluation expenses	224,845	417,686	609,835	213,719
Loss per share – basic and diluted	-	0.01	0.01	-
Cash and cash equivalents	261,351	478,357	504,351	171,042
Exploration and evaluation assets	19,231,737	19,231,737	19,231,737	19,143,325
Total assets	20,206,970	20,174,459	19,862,047	19,404,876

*Items that resulted in significant differences in the quarterly figures presented above are explained in the following narrative.*

### **Loss and comprehensive loss; exploration and evaluation expenses**

The Company tends to incur more exploration and evaluation expenditures from April to October because of weather conditions in the Yukon. Copper North expenses all such expenditures. As a result, loss and comprehensive loss are expected to be higher during Q2 and Q3 of each given year. This trend has been somewhat inconsistent in recent years as the Company's exploration activities have been dictated as much by available financing as weather conditions.

The loss and comprehensive loss reported for the quarters ended September 30, 2014, June 30, 2015, and September 30, 2015 were higher than usual because Copper North incurred substantial exploration expenditures at its Carmacks Project during those periods.

### **Exploration and evaluation assets**

In accordance with IFRS, Copper North only capitalizes acquisition and property payment costs.

The Company made a payment and issued shares to acquire the Thor property during the quarter ended September 30, 2014. During the three months ended June 30, 2015, Copper North made an option payment related to the Thor property. Please refer to the Property Overview and Development section earlier in this report for more information.

### **Cash and cash equivalents**

Cash and cash equivalents are expected to decrease in periods when there is no financing transaction as the Company incurs costs related to exploration activities and operations. The Company has been continually raising funds over the last two years in order to advance its projects and pay its operating expenses. As such, the fluctuations in the quarters presented above are a direct result of the size and timing of financing transactions and expenses.

## **RELATED PARTY TRANSACTIONS**

### **Deferred salary**

Certain current and former officers and directors have agreed to defer some, or all, of their salary. The Company has accrued these wages in the statement of loss. During the three months ended March 31 2016, the Company accrued \$68,951 (March 31, 2015 - \$30,000) in wages to officers and \$9,000 in director fees (March 31, 2015 - \$9,000).

During the year ended December 31, 2015, the Company repaid \$54,798 due to Julien François, Chief Financial Officer, in cash. Of this amount, \$3,965 was interest. Also during the year ended December 31, 2015, Copper North repaid \$100,000 due to Sally Eyre, the Company's previous Chief Executive Officer by making a cash payment of \$27,000 and issuing 1,460,000 common shares with a deemed value of \$0.05 per common share. Effective December 31, 2015, amounts due to Ms. Eyre no longer accrue interest.

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**Management compensation**

The Company's related parties include its directors and officers, who are the key management of the Company. The remuneration of directors and officers during the periods presented was as follows:

For the three months ended March 31,	2016	2014
	\$	\$
Salaries and director fees	121,500	121,500
Share-based payments	9,773	12,730
<b>DIRECTOR AND OFFICER REMUNERATION</b>	<b>131,273</b>	<b>134,230</b>

Share-based payments represent the fair value of stock options previously granted to directors and officers that was recognized during the years presented above.

**Due to related parties**

As at	March 31, 2016	December 31, 2015
	\$	\$
Deferred salary	364,297	295,346
Interest	23,217	23,217
Director fees	135,000	126,000
<b>DUE TO RELATED PARTIES</b>	<b>522,514</b>	<b>444,563</b>

Amounts due to related parties are non-interest bearing and payable on demand.

**OUTSTANDING SHARE DATA**

As at the date of this report, the Company has 183,249,182 common shares outstanding. The Company also has 10,117,500 stock options outstanding with exercises prices ranging from \$0.05 to \$0.32 and 48,202,457 warrants outstanding with exercises prices ranging from \$0.05 to \$0.28.

**CONTRACTUAL OBLIGATIONS**

The Company has an agreement to sub-lease its head office space until May 31, 2017. The Company has the option to terminate the sub-lease without penalty by providing the sub-lessor 90 days' notice.

The future minimum lease payments by calendar year are approximately as follows:

<b>Year</b>	<b>\$</b>
2016	28,000
Thereafter	-
<b>TOTAL</b>	<b>28,000</b>

The Company must spend \$75,000 on qualifying Canadian exploration expenditures by December 15, 2017. Otherwise, it will be required to pay the investors who purchased flow-through shares the difference between the amount of tax benefit that they would have realized had the Company incurred all expenditures and the amount that the investors actually realized.

The Company has no off-balance sheet arrangements, no capital lease agreements and no long term obligations other than those described above and throughout this document, or in the description of exploration and evaluation assets contained in the notes to the consolidated financial statements.

Neither the Company nor any of its subsidiaries has any externally imposed capital requirements.

## **FINANCIAL INSTRUMENT RISK**

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has exposure to liquidity and credit risk from the use of financial instruments. Financial instruments consist of cash and cash equivalents, accounts receivable, reclamation bond, amounts due to related parties, and accounts payable and accrued liabilities.

### **Liquidity risk**

Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they come due. Certain conditions cast significant doubt on the Company's ability to meet its financial obligations. Refer to the Liquidity and Capital Resources and the Financing and Financial Position sections of this report for more information regarding the Company's liquidity risk.

### **Credit risk**

Financial instruments that potentially subject the Company to credit risk consist primarily of cash and cash equivalents. These financial instruments are at risk to the extent that the institutions issuing or holding them cannot redeem amounts when they are due or requested. To limit its credit risk, the Company deposits cash and cash equivalents in Canadian chartered banks.

In addition, amounts prepaid or on deposit may not be recovered. To limit this risk, the Company takes into account the financial condition of the vendor and the services to be provided before making such deposit or prepayment.

## **FORWARD-LOOKING STATEMENTS**

This Management Discussion and Analysis contains certain forward-looking statements concerning anticipated developments in Copper North's operations in future periods. Statements that are not historical fact are forward looking information as that term is defined in National Instrument 51-102 ("NI 51-102") of the Canadian Securities Administrators. Certain forward looking information should also be considered future-oriented financial information ("FOFI") as that term is defined in NI 51-102. The purpose of disclosing FOFI is to provide a general overview of management's expectations regarding the anticipated results of operations and capital expenditures. Forward-looking statements and information (referred to herein together as "forward-looking statements") are frequently, but not always, identified by words such as "expects", "anticipates", "believes", "intends", "estimates", "potential", "possible" and similar expressions, or statements that events, conditions or results "will", "may", "could" or "should" occur or be achieved. The material factors or assumptions used to develop forward-looking statements include prevailing and projected market prices and foreign exchange rates, exploitation and exploration estimates and results, continued availability of capital and financing, and general economic, market or business conditions and as more specifically disclosed throughout this document. Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of Copper North and its subsidiaries may differ materially from those reflected in the forward-looking statements due to a variety of risks, uncertainties and other factors.

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Copper North's forward-looking statements are based on the beliefs, expectations and opinions of management on the date the statements are made, and Copper North does not assume any obligation to update forward-looking statements if circumstances or management's beliefs, expectations or opinions should change except as required by law. For the reasons set forth above, investors should not place undue reliance on forward-looking statements. Important factors that could cause actual results to differ materially from Copper North's expectations include, but are not limited to, uncertainties involved in fluctuations in copper and other commodity prices and currency exchange rates; uncertainties relating to interpretation of drill results and geology, continuity and grade of mineral deposits; uncertainty of estimates of capital and operating costs, recovery rates, production estimates and estimated economic return; the need for cooperation of government agencies and First Nations in the exploration and development of properties and the issuance of required permits; the need to obtain additional financing to develop properties and uncertainty as to the availability and terms of future financing; the possibility of delay in exploration or development programs or in construction projects and uncertainty of meeting anticipated program milestones; and uncertainty as to timely availability of permits and other governmental approvals.